

Bridge Banks: income statement and pro-forma⁽¹⁾ balance sheet as at 31/12/2016

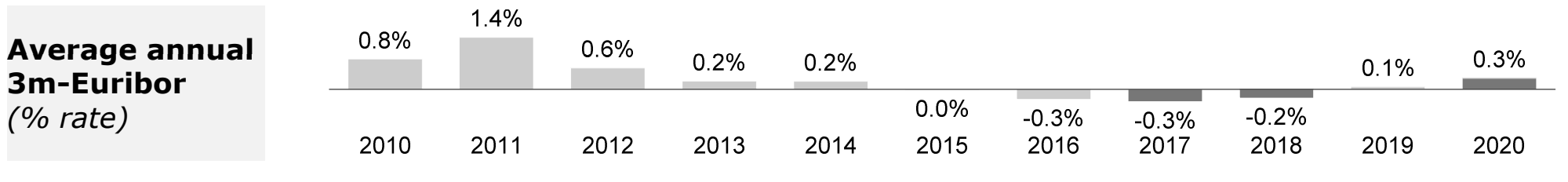
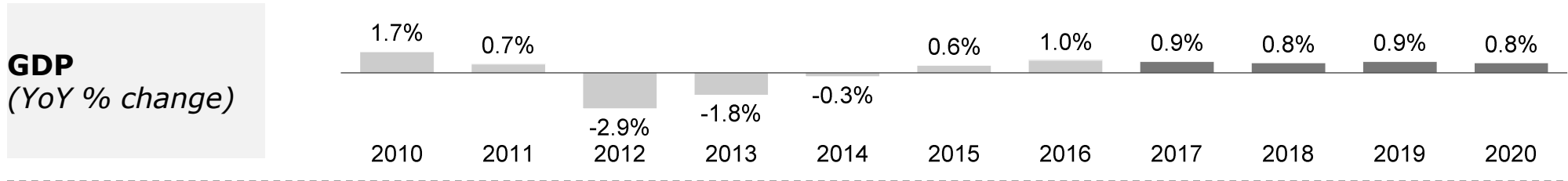
Figures in €M

| Income Statement | Riclassified 31/12/2016 |
|--|----------------------------|
| Net Interest Income | 211 |
| Net Commission Income | 188 |
| Dividend and similar income | 27 |
| Other income items | 37 |
| Results from insurance operations | 10 |
| Operating Income | 473 |
| Staff costs | (315) |
| Other administrative expences | (248) |
| Net Impairment losses on property, equipment and investment property and intangible assets | (35) |
| Operating Expences | (597) |
| Net Operating Income | (124) |
| Net impairment losses on loans | (905) |
| Net impairment losses on other financial assets and liabilities | (10) |
| Net provisions for risks and charges | 5 |
| Other | (2) |
| Pre-tax result from continuing operations | (1,037) |
| Taxes on income for the period for continuing operations | 5 |
| Profit/ Loss for the period attributable to non controlling interests | 1 |
| Net Result for the period | (1,031) |

| Balance Sheet | 31/12/2016 |
|--|---------------|
| Loans to customers | 12,425 |
| Direct Funding | 18,133 |
| of which Repos with CCG | 1,031 |
| Direct Funding excl. Repos with CCG | 17,101 |
| of which Institutional Funding | 1,008 |
| Direct Funding excl. Institutional Funding and Repos with CCG | 16,094 |
| AuM | 2,161 |
| Bancassurance | 2,030 |
| Total AuM and Bancassurance | 4,191 |
| AuC | 3,339 |
| Total Indirect Funding | 7,530 |
| Financial Assets including insurance portfolio | 3,971 |
| Financial Assets excl. insurance portfolio | 2,284 |
| Total Assets | 21.741 |

(1) The item loans to customers has been netted of 2.2 bln€ sold to Fondo Atlante and of a loan to REV which has been cashed in

Background scenario showing slow improvement but projecting a slower growth in GDP



Macro-economic scenario

- **Slow recovery in GDP** (worsened from previous year estimates) affected also by a **low contribution from demographic trends, significant unemployment rate and moderate investment growth**

Banking industry

- **Profit margins still under pressure**, with estimates lowered with respect to 2016, due to negative interest rates and macro-economic context
- **Regulatory framework that requires increasingly greater rigour** in terms of capital, liquidity and IT investments

Social and economic context

- In recent years the economic crisis and the technological revolution **have determined structural changes in the priorities of individual and business customer needs**